deposits on time and then to have to pay the penalties on top really creates a financial burden on small business.

A Huntington Beach, Calif., owner of a plumbing company writes:

In the years that I have been in business, I have almost without exception received each and every quarter a notice from the IRS that a penalty is due on my account . . . each and every time I have to rework the figures to prove the IRS incorrect. The problem I find, in talking to business people like myself is that they have little or no office staff and wind up paying the penalties due to a lack of time to check them out.

A Breakville, Ohio, businessman wrote simply:

If social security taxes are raised in the future, we may be forced out of business. It is already a heavy drain on our cash flow per month and it is very common for us to fall behind in our payments and end up paying ridiculous penalty and interest for doing so. It simply cannot be helped as all of our work is done in credit and we must rely on the faith of our customers to pay us on time so that we may meet our obligations.

Furthermore, codification prevents the IRS from issuing rules which would further accelerate deposits to meet government needs. In 1980, the IRS increased the frequency of deposit by business from four times a month up to eight times a month for large business. This increase was enacted without a single act of Congress.

Finally, revenue estimates for a 10-year period beginning at the date of this proposal's enactment reveal only marginal losses in social security and general revenue.

Mr. President, this bill merits quick hearings and early enactment for the sake of small businesses and for the sake of American economic recovery. Let me point out that this is not a controversial bill. An identical amendment earlier passed the Senate by a vote of 96 to 0 during the social security debates.●

By Mr. HATCH:

S. 1899. A bill to amend the Internal Revenue Code of 1954 to permit certain scientific or educational organizations to issue tax-exempt bonds to finance scientific or educational facilities or equipment; to the Committee on Finance.

SCIENTIFIC RESEARCH ACT OF 1983

● Mr. HATCH. Mr. President, I am introducing the Scientific Research Act of 1983, which will simplify section 103 of the Internal Revenue Code of 1954, so that universities and colleges may be able to use debt-financing as a means of improving their scientific and technological research capacity.

It has been estimated that, at the present time, research facilities and equipment which are critical to basic research in U.S. institutions of higher education lag 10 years behind the instrumentation in European and Japanese universities. Foreign institutions have been able to improve and expand their research equipment at a pace more consistent with the advancements in scientific measuring and computing technologies than U.S. institutions.

Today, universities and colleges have only limited funds in university budgets, endowments, and Government grants, and contracts to acquire new equipment. But, because of the irregularity and unreliability of these funds, there has been little, if any, improvement. Thus, several universities have turned to debt-financing as a means of upgrading their research abilities.

Debt-financing is the use of debt instruments, such as a bond or a note, to acquire equipment for immediate use. This form of financing offers several advantages. First, since scientific progress does not stop and wait for a Government equipment grant, which may or may not arrive, debt-financing is a method of financial planning and management that allows the university to use the equipment and facilities immediately and to strike while the iron is hot. Debt-financing would provide instrumentation at a relatively low cost, because tax-exempt interest rates are generally lower than the inflation rate, so that even while including interest costs, the equipment is being acquired at a lesser cost.

Although debt-financing has proven advantageous to some institutions, it also has complications that have deterred others from using this method of financing the purchase of equipment. For instance, instruments of debt-financing, such as revenue and municipal bonds and revolving lines of credit, are so involved and difficult to implement as to require the assistance and counsel of investment bankers and legal tax experts. This bill seeks to simplify these complications and impediments and this means of procuring expensive, though badly needed, scientific instrumentation.

This bill will make debt-financing more feasible for America's universities. This would be achieved by simplifying section 103 of the Internal Revenue Code of 1954 such that interest on the obligations of colleges, universities, and not-for-profit scientific organizations for the acquisition of equipment and facilities for scientific or educational purposes will be tax-exempt. If our educational institutions can acquire state-of-the-art instrumentation, our Nation will benefit through their ability to conduct state-of-the-art research. Tax-exempt interest on debt-financing for scientific equipment will provide an important catalyst for the investment in university research.

Colleges and universities need the financial options that can aid them in increasing their research capabilities as well as in educating men and women in science and engineering who should be capable of handling modern research equipment. The potential positive impact of the financial method encouraged by this bill is significant and I hope my colleagues will support this legislation.●

By Mr. CRANSTON:

S. 1900. A bill to require the executive branch to enforce applicable equal employment opportunity laws and directives so as to promote pay equity and eliminate wage-setting practices which discriminate on the basis of sex, race, or ethnicity and result in discriminatory wage differentials; to the Committee on Labor and Human Resources.

PAY EQUITY ACT OF 1983

Mr. CRANSTON. Mr. President, I am today introducing S. 1900, the proposed "Pay Equity Act of 1983." This legislation is aimed at helping bring an end to what is one of the most devastating economic problems facing millions of American women and their families and one of the most pervasive forms of employment discrimination in our society—the refusal of many employers in both the public and private sectors to pay female employees fair and equitable wages for the work they perform.

Mr. President, this type of discrimination against female employees has persisted despite the existence of applicable State and Federal laws and directives and court decisions outlawing gender-based wage discrimination. Unfortunately, the existence of these laws and court decisions has not been translated into elimination of these unlawful practices. What is clearly needed is a strong national commitment to ending once and for all the practice of paying certain employees lower wages because those employees are female.

The legislation I am introducing today is aimed at compelling those Federal agencies responsible for enforcement of our Federal equal employment opportunity laws to begin an aggressive campaign to enforce these laws and help bring about an end to wage discrimination.

THE PROBLEM: THE WAGE GAP

Mr. President, I am sure that every Member of this body is acutely aware of the enormous gap between the average earnings of female workers and the average earnings of male workers. Today, full-time female workers earn 59 cents for every dollar earned by similarly situated male workers. Indeed, in recent years the earnings gap between men and women has not declined, but, in fact, has widened. In the 1950's, full-time female workers earned 64 cents on the average for every dollar earned by a full-time male worker. The gap is even wider today for minority women; the ratio is 54 percent for black women and 49 percent for Hispanic women.

The disparity between the average wages earned by female workers and those earned by male workers exists today in every profession, occupation, or field of employment and at every level of experience. It persists in male-dominated fields. It persists in female-dominated fields. It persists in the new occupational fields that have not yet become sexually stereotyped.

For example, female engineers earn only 86 percent of the salary of male engineers; female college professors and lawyers receive only 71 percent of what their male counterparts earn. Although 60 percent of the retail sales clerks are female, they earn only 67 percent of what male clerks earn. Average starting salaries for female Harvard MBA's are reported to be $2,000 less than those paid to male MBA's. Entry level male college lecturers average $13,577; females, $11,370. Sex bias in wages has even appeared in the computer field. In 1981, the median weekly pay for female computer operators was $355; for males, $488.

Mr. President, the overall wage gap has been closely and repeatedly studied by researchers. Variables such as attachment to the work force, level of experience, education, job commitment, and similar factors have been examined in various studies. These studies attempting to explain the difference in earnings between male and female workers have been able to account for generally less than one-fourth and never more than one-half of the earnings differential on the basis of different labor force participation patterns of male and female workers. Virtually every researcher has concluded that there remains a large gap which can be explained only by the existence of discriminatory employment policies.

PAY EQUITY: EQUAL PAY AND COMPARABLE PAY

Mr. President, two distinct forms of wage discrimination contribute to the earnings gap. The first involves the problem of equal pay for equal work. The second involves the problem of comparable pay for work of comparable worth.

The first—equal pay for equal work—is relatively simple to understand and has clearly been unlawful since the passage of the Equal Pay Act in 1963. That law provides that it is unlawful for an employer to discriminate between employees on the basis of sex by paying lower wages than those paid to employees of the other sex for equal work. Prior to the enactment of the Equal Pay Act, many employers openly paid female workers lower wages for performing the same work as male workers.

Unfortunately, this parctice continues today, albeit in more subtle forms. Employers no longer argue—as they did prior to 1963—in favor of lower pay for female workers on the grounds that women need less than male workers. Instead, they develop creative rationalizations for paying women less than men for substantially identical work. The Federal Equal Pay Act actually encourages this creativity since it provides four defenses which an employer may raise when a violation of the act has been alleged. The fourth defense—that the discrimination was based upon a factor other than sex—invites employers to develop arguments that the apparent discrimination is actually based upon a factor other than sex. For example, employers have argued that the willingness of female workers to work for lower wages constitutes a factor other than sex which would justify setting their wages below those of male workers who would refuse to work at the lower wages. Fortunately, for the most part, the courts have rejected these thinly disguised discriminatory practices.

It is clear, however, that although it has been 20 years since passage of the Equal Pay Act, equal pay for equal work has not yet been fully achieved. Indeed, even more vigorous enforcement activities are needed today to deal with the more subtle and devious tactics used to justify continuing violations of the act.

But, Mr. President, it is generally agreed that denial of equal pay for equal work is no longer the major factor contributing to the earnings gap. The major factor today is the concentration of female workers in a limited number of job classifications where the wages are lower than the education, training, skills, experience, effort, responsibility, or working conditions required would otherwise warrant. The primary reason the wages are lower in these jobs is because they are filled predominantly by women. This problem, often referred to as the comparable worth issue, must be dealt with forcefully if we are ever to achieve equitable pay for all workers.

COMPARABLE PAY FOR WORK OF COMPARABLE WORTH

Mr. President, the concept of comparable pay for work of comparable worth stands for the relatively simple notion that the wages a worker earns should be based upon the value of the work performed, not the sex of the employee. Unfortunately, it is widely recognized that the wages paid in jobs and occupational fields dominated by female workers are lower than the wages paid in those jobs and occupational fields dominated by male workers that require comparable education, skills, training, education, effort, responsibilities, and working conditions.

In the now classic case of *Lemons* v. *City and County of Denver*, 620 F2d 228 (CA 10), the nurses in the city of Denver public hospitals are paid less than the men who trim the trees in the city parks, not because of any greater intrinsic value of the work done by the tree trimmers or greater difficulty in finding individuals to trim trees, but simply because tree trimmers are predominately male and the nurses are predominately female.

There are many other examples of this type of inequity. In Montgomery County, Md., clerks in the county-operated liquor stores were reported to earn more in 1979 than teachers in the county schools. Secretaries at the University of Washington in Seattle with 2 years' experience were paid between $847 and $1,085 while university truck drivers received a starting salary of $1,168 to $1,289. In New York and Wisconsin, the salaries for State parking lot attendants are considerably higher than the wages paid to State clerical employees. A study in San Jose, Calif., found the salaries of librarians below those paid to street sweeper operators.

In each of these examples, one difference emerged: the higher wages were paid where employees were predominately male and lower wages were paid where employees were predominately female. In many cases, the employer's own numerical job-evaluation system gave the male-dominated jobs and the female-dominated jobs similar ratings; the wages for the female jobs were nonetheless set lower than the male-dominated jobs.

OPPONENTS OF COMPARABLE WORTH

Mr. President, those who oppose elimination of wage disparities based upon the devaluation of work that is performed predominately be female workers make three basic arguments in opposition to these efforts. First, they argue that it is impossible to compare different jobs and establish their relative worth. Second, they contend it is not discrimination, but the invisible and neutral hand of the marketplace at work in creating these wage disparities. Third, and finally, they argue that even if it is discrimination, the cost of eliminating the inequities would be too great. Each of these arguments has an inherent weakness.

First, with respect to the so-called apples-and-oranges argument—that you cannot compare different types of jobs—the fact is that different jobs are compared all the time by employers in establishing wage rates. Objective job-evaluation techniques have existed for many years, and they are widely used by employers in both the public and private sectors. The National Academy of Sciences' Committee on Occupational Classification and Analysis in its important study, "Women, Work, and Wages: Equal Pay for Jobs of Equal Value," commissioned by the Equal Employment Opportunity Commission, noted the widespread use of such job evaluation plans. As I will discuss in a few moments, these job-evaluation techniques provide an objective method of determining the value of different jobs and a promising approach to eliminating discriminatory wage-setting practices and wage differentials.

Second, the short answer to the argument that it is the marketplace, not discrimination, that determines wage rates, is that the so-called free marketplace has been radically altered by the presence of discrimination. Historical wage discrimination against female workers, once not only prevalent but acceptable, continues to distort the marketplace to depress the wages of women and to devalue the work performed by women. Only in the past 20 years has it become unacceptable—legally and otherwise—to pay women less than men for precisely the same work or to exclude women from cer-

tain jobs or occupations. The effects of this de jure discrimination against female workers were built into most wage structures, and these effects continue to be felt.

Moreover, our Nation has already made the decision as a matter of social policy that workers will not be left to whatever fate the free market resolves for them. Protective labor laws do not permit employers to pay workers less than the minimum wage, even though some desperate workers might work for less, nor do they allow employers to set wages lower for minority workers, even though high unemployment rates among many minority groups might drive some of these workers to accept lower wages.

In short, a civilized and humane society does not countenance the exploitation of its workers. Women, like other classes of vulnerable workers, are entitled to the protection of the law against unfair exploitation.

Finally, the arguments that eliminating the wage difference would destroy the economy and cost billions and billions of dollars are vastly exaggerated. First, many of these estimates are based upon elimination of the entire wage gap. The studies I mentioned earlier have found that a certain portion of the gap—between one-fourth and one-half—is probably attributable to nondiscriminatory factors, including differences in female-worker labor-force participation patterns. Second, as to that portion of the wage gap that is attributable to discriminatory practices, it is not anticipated that the resulting inequities could be eliminated over night. Even with the most vigorous commitment to eliminating wage inequities, the task is likely to be a long and tedious one. Indeed, in the 20 years since passage of the Equal Pay Act, those inequities have not been eliminated. Attainment of full pay equity is likely to be gradual and incremental.

Finally, whenever the issue of costs is discussed, it is important to remember that the costs of pay inequities are already being borne by the underpaid workers. The price is being paid by the increasing feminization of poverty and the cost of government assistance to those underpaid workers and their families who cannot survive on the meager wages produced by discriminatory employment practices. Society is also paying in terms of the loss of productivity and reduced consumer spending when workers are denied fair wages.

IMPORTANCE OF RESOLVING THE COMPARABLE WORTH PROBLEM

Mr. President, there are some who may argue that rather than attempting to resolve the difficult issues surrounding the comparable worth problem, we should be focusing our attentions on eliminating the earnings gap by encouraging young women to enter nontraditional, male-dominated fields where the wages are likely to be higher and the advancement opportunities more open.

I believe we must do both.

I have been among the foremost advocates of opening up every occupational or professional field to women. The barriers which have blocked women seeking to enter male-dominated fields must be eliminated. Our educational systems must be encouraged to do a better job in preparing young women for the world of work and educating them about the jobs that will be emerging out of the new technologies. Their horizons should not be limited in any fashion by sexist stereotypes about what is or is not an appropriate field of employment for women or by false perceptions about the work force.

But at the same time that we are seeking to break down those barriers which have kept many women in job ghettoes where the wages are low and the oppotunities for advancement limited, it is important to recognize that the work performed in many of these female-dominated fields is important both to our economy and to our society. If we force our creative and talented teachers to leave our schools in order to get adequate compensation, or our Nation's nurses to all become doctors in order to gain the recognition and compensation they deserve, what would happen to the quality of our schools or our hospitals? We need good teachers as well as good nurses, regardless of their sex.

Moreover, Mr. President, whatever opportunities may exist for young women just entering or about to enter the work force, those women who have already acquired years of education, training, and experience in fields like teaching or nursing should not be required to abandon those career investments in order to earn a decent wage.

Finally, unless we resolve once and for all the ambivalence about the value of female workers that underlies the comparable worth problem, the inequities are not likely to end. Indeed, as more and more women enter a new field, the wages there are likely to become depressed. History has already demonstrated this to be true. For example, bank tellers were once universally male. The job then represented a relatively well-trained position on the career ladder to higher management in the banking field. Today, bank tellers are predominantly female and the wages and advancement opportunities have been curtailed accordingly. The value of a job should not decrease just because more women fill the positions.

GUNTHER V. COUNTY OF WASHINGTON

Mr. President, until 1981, there was some disagreement as to the interrelationship of the Equal Pay Act, with its scope limited to matters relating to equal pay for equal work, and the broader coverage of title VII of the Civil Rights Act of 1964 with respect to discrimination on the basis of sex in all aspects of employment, including compensation. Some argued that the Bennett amendment to title VII limited its coverage to only those instances of wage discrimination which would be covered by the Equal Pay Act. Others, noting the broad purposes of Congress in enacting title VII, argued that an employer violated title VII when the wages of female workers were set below those paid to male workers even though the jobs were not identical.

The issue was definitively resolved in the landmark decision of the Supreme Court in *Gunther* v. *County of Washington*, 452 U.S. 161 (1981). In Gunther, the Supreme Court held that it would be a violation of title VII for an employer to set the wages of female workers below the value determined by the employer's own objective job evaluation while setting the wages of male workers at the full value. The Court correctly concluded that Congress intended title VII to prohibit all practices in whatever form which create inequality in employment opportunity due to discrimination on the basis of race, religion, sex, or national origin and to strike at the entire spectrum of disparate treatment of men and women resulting from sex stereotypes.

Mr. President, wage discrimination is now clearly unlawful under title VII. That conclusion was reiterated earlier this month in a Federal district court case, Washington Federation of State Employees against State of Washington, involving the wage-setting practices of the State of Washington. The district court held the State of Washington in violation of title VII for setting the wages in job categories dominated by women below the levels paid in other categories requiring comparable skills and background.

Private litigants throughout the country are bringing similar cases before the courts. A number of States and local governmental entities have recently passed laws or enacted ordinances to eliminate wage inequities or mandate job evaluations to determine the relative worth of job classifications. My own State of California has been in the forefront, enacting in 1981 a new law requiring comparable worth issues to be considered in wage negotiations with State employees and requiring annual reports on the progress that is being made in eliminating wage inequities. A number of California cities and counties have taken similar actions. Connecticut has enacted a law requiring a statewide review of job classifications for comparable worth purposes, and Minnesota has adopted legislation requiring the State employment relations commissioner to prepare, applying comparable worth concepts, a listing of State jobs affected by pay inequities and to earmark funds for needed adjustments. In testimony presented last year at hearings of three subcommittees of the House Committee on Post Office and Civil Service on pay equity, it was reported that some 25 States and local govern-

ments including Michigan, Washington, Illinois, Maine, and Wisconsin had funded job-evaluation studies to identify the extent of wage depression in female-dominated jobs. The Hawaii Legislature has passed comparable worth resolutions, requesting that all employers, both public and private, adopt a concept of equal pay for work of comparable value. Comparable worth has also become a major issue in collective bargaining activities.

FEDERAL ENFORCEMENT ACTIVITIES

However, despite the considerable activity taking place in the States and in the courts, Federal efforts in this area are at a virtual standstill. Prior to the Reagan administration, the two agencies with primary responsibility for enforcement of Federal equal employment opportunity laws and directives—the Equal Employment Opportunity Commission—EEOC—and the Office of Federal Contract Compliance Programs—OFCCP—in the Department of Labor—had begun activities in the comparable worth area. EEOC filed an amicus curiae brief on the side of the plaintiffs in the Gunther case and commissioned the study I mentioned earlier by the National Academy of Sciences into the area. In August 1981, shortly after the Gunther decision, EEOC, then under the acting chairmanship of J. Clay Smith, issued interim guidelines to its field offices to assist in identifying and processing cases in light of the Gunther decision. Similarly, OFCCP included in regulations published in December 1980 language clarifying that the prohibition against employment discrimination by Federal contractors encompassed wage differentials based upon comparable worth principles.

However, the Reagan administration immediately suspended those regulations, and, under the Reagan-appointed EEOC, work on comparable worth cases appears to have ceased, effectively sabotaging the guidelines issued after Gunther. At the House hearing last year, the new chairman of the EEOC, Clarence Thomas, defended his agency's inaction by saying that the Commission was "in the legal arena, without specific guidance" and he was "unsure" whether the agency had authority to process certain of these cases.

Mr. President, EEOC is specifically charged with the responsibility of providing leadership in matters relating to equal employment opportunity. If the agency is not able to exert that leadership, then Congress must provide a push that is needed. The legislation I am introducing today is aimed at providing EEOC and OFCCP with the specific guidance which seems to be necessary in order to get these agencies to enforce fully and agressively the Federal laws and directives relating to unlawful employment practices. The Federal Government ought to be playing a major and active role in helping to eliminate discriminatory wage-setting practices.

JOB-EVALUATION TECHNIQUES

Mr. President, before I describe the specific provisions of the legislation I am introducing today, I want to take a few moments to discuss a specific issue related to the elimination of unlawful wage discrimination—utilization of objective job-evaluation techniques.

As I indicated earlier, objective job-evaluation techniques have been utilized for many years by employers in both the public and private sectors as a basis for job classifications and wage rates. Job-evaluation techniques provide, through numerical rating systems, standards and measures of job worth that are used to estimate the relative worth of jobs. It has been reported that almost two-thirds of the adult working population are already paid on the basis of a job evaluation scheme, and that virtually every large employer, including Federal and State governments, uses some objective job-evaluation system to determine the relative worth or grade level of each job classification.

In a job-evaluation plan, pay ranges for a job are based on estimates of the worth of the jobs according to such criteria as the skill, effort, and responsibility required by the job and the working conditions under which it is performed. Pay for an individual, within the pay range, is set by the worker's individual characteristics, such as credentials, seniority, productivity, and quality of job performance. Job-evaluation systems vary from employer to employer, both in terms of the criteria used and the relative weights. However, the concept of numerical rating and comparative measurement of different jobs is common to all job-evaluation systems.

The National Academy of Sciences observed in Women, Work and Wages: Equal Pay for Jobs of Equal Value that—

> Job evaluation plans provide measures of job worth that, under certain circumstances, may be used to discover and reduce wage discrimination for persons covered by a given plan. Job evaluation plans provide a way of systematically rewarding jobs for their content—for the skill, effort, and responsibility they entail and the conditions under which they are performed. By making the criteria of compensation explicit and by applying the criteria consistently, it is probable that pay differentials resulting from traditional stereotypes regarding the value of women's work or work customarily done by minorities will be reduced.

Mr. President, the National Academy of Sciences study went on to state that existing job-evaluation techniques were by no means perfect. Many incorporated into them factors associated with sex, race, or ethnicity, and many utilized actual wages to figure into the computations, thereby perpetuating existing inequities. Other problems in applying these plans universally were also raised. The Academy concluded, nevertheless, that statistical techniques exist that may be able to generate job worth scores from which components of wages associated with sex, race, or ethnicity have been at least partly removed. The Academy urged that these techniques be further developed.

It is also important to note that in many cases, where the employer has utilized a job-evaluation plan to establish the comparative worth of different jobs, the employer has simply chosen not to apply the results of its own evaluation to the wages of the female workers. For example, in the Gunther case the employer arbitrarily paid the female workers 20 percent less than the employer's own job evaluation had determined was the comparative worth of the jobs. The law is clear that employers must abide by the results of their own reasonable job-evaluation systems. What is needed is for the law to be enforced.

Finally, Mr. President, it should be noted that the failure of an employer to utilize a job-evaluation system to set wages can give rise to an inference of intentional discrimination. In one case brought under the Equal Pay Act, *Taylor* v. *Charley Brothers*, a Pennsylvania district court found that an employer's intent to discriminate against female employees could be inferred from the fact, among other things, that it had not undertaken any evaluation that would have indicated the value of jobs held by either men or women. Employers seeking to avoid the impact of the Gunther decision by refusing to do their own objective job evaluations certainly run the risk of thereby providing evidence of intentional discrimination.

OUTLINE OF LEGISLATION

Mr. President, as I indicated at the outset, the legislation I am introducing today is aimed at compelling those Federal agencies responsible for enforcement of Federal equal employment opportunity laws to begin an aggressive campaign to enforce those laws and help bring about an end to wage discrimination against female workers. Certainly this could be accomplished by the executive branch without a congressional mandate. The President could through issuance of an Executive order achieve the same ends. The law already prohibits wage discrimination. But the law is not self-executing.

Unfortunately, under the current administration it is highly unlikely that such actions will voluntarily take place. Nevertheless, Congress has the power and the authority to direct these agencies to take appropriate action. Enactment of this legislation would provide the congressional mandate that is evidently necessary to bring about Federal action in this area. I do not believe that it is fair or appropriate to rely solely upon private litigants to enforce the law. The Federal Government has a role and responsibility to fulfill. It is time it did so.

SUMMARY OF PROVISIONS: "PAY EQUITY ACT OF 1983"

Mr. President, I would like to outline the provisions of the bill:

Section 1 would establish the short title of the bill as the "Pay Equity Act of 1983".

Section 2 would set forth the findings and purposes of the act. The findings pertain to the existence of the earnings gap between male and female workers, its causes and impact upon individuals and our economy, and the failure of appropriate Federal agencies to enforce applicable laws and directives. The expressed purpose of the act is to help eliminate discriminatory wage-setting practices and resulting discriminatory wage differentials by: first, providing for the development and utilization of equitable job-evaluation techniques to promote the establishment of wage rates based upon the work performed rather than the sex of the employee and thereby insure that all employees, irrespective of sex, or race, or ethnicity, will receive comparable pay for work of comparable worth; second, directing the Federal agencies charged with the responsibility for enforcement of Federal equal employment opportunity laws to help eliminate discriminatory wage-setting practices and discriminatory wage differentials; third, encouraging public and private employers to use equitable job-evaluation techniques in order to eliminate discriminatory wage-setting practices and discriminatory wage differentials; and fourth, bringing the Federal Government's wage-setting practices into compliance with the purpose of the proposed act and the provision of the 1978 Civil Service Reform Act which provides that equal pay should be provided for work of equal value performed by Federal employees.

Section 3 would set forth definitions of the various terms utilized in the act.

Section 4 would set forth specific actions to be taken by the Equal Employment Opportunity Commission—EEOC. First, the Commission would be directed to issue guidelines for the identification and elimination of discriminatory wage-setting practices and discriminatory wage differentials.

Mr. President, the EEOC is charged by Executive order with the responsibility for providing leadership within the Federal Government on matters relating to equal employment laws. Its nonaction on the important and urgent issue of pay equity is inexcusable. Employers are entitled to some guidance from the Commission to enable them to identify and eliminate discriminatory wage-setting practices. In the past, the Commission has made many important contributions to the development of equal employment opportunity law; for example, its early guidelines on employment testing issues contributed to the development and utilization of validated testing procedures. It should be fulfilling a similar role with respect to the development and utilization of equitable job-evaluation techniques. Instead, the Commission's policy seems to be to sit back and await the piecemeal development of these issues by private litigants and the courts. This is an abrogation of executive branch responsibility under title VII.

In order to assure appropriate coordination between the Commission and the Department of Labor's Office of Federal Contract Complicance Programs—OFCCP—section 4 of the bill would specifically require consultation with OFCCP in the promulgation of the Federal guidelines. Section 4 also would direct the Commission to develop and carry out a continuing program of education, information, and technical assistance with respect to the elimination of discriminatory wage-setting practices and discriminatory wage differentials and the development and utilization of equitable job-evaluation techniques.

Mr. President, in order to insure adequate congressional oversight, section 4 contains provisions directing the Commission to make annual reports to the President and Congress on the steps it has taken and plans to take to carry out the proposed act. A self-evaluation of the effectiveness of the Commission's efforts is to be included in the report along with inclusion of such recommendations for statutory changes or administrative action, or both, as the Commission considers necessary to effectuate the purpose of the proposed act. The requirements with respect to this report have been made rather detailed in light of the fact that the Commission has shown no willingness voluntarily to take any action in this area.

Finally, section 4 would require the Commission to undertake a study of the Federal system for establishing pay grades for Federal employees to determine whether that system satisfies the definition of an equitable job-evaluation system as proposed in the bill. In 1978, in enacting the Civil Service Reform Act, the Congress explicitly provided in section 101(a) of that act—5 U.S.C. 2301(b)(2)(3)—that equal pay should be provided for work of equal value in the Federal work force. Yet, at the house hearings last year, the Director of the Office of Personnel Management—OPM—admitted that the system being used had not been reviewed for sex bias. Numerous other witnesses testified at those hearings as to the inherent bias in the Federal classification system, which is derived from the system in existence in 1923.

Since OPM appears unlikely to undertake an evaluation of its own system, section 4 would direct EEOC to do so. The Commission was given the responsibility for enforcement of equal employment opportunity laws within the Federal work force in the 1978 EEO reorganization. Mandating its involvement in this area is clearly appropriate and seems necessary in view of the vacuum that exists.

Section 5 would set forth directives to the Secretary of Labor, acting through OFCCP, with regard to Federal contractors. One primary way in which the Federal Government has sought to eliminate discrimination in employment is to obligate businesses that do contract work for the Federal Government or whose contracts are funded with Federal financial assistance to insure nondiscrimination with regard to employment practices and to take affirmative steps to provide equal employment opportunities throughout all of their activities as a condition of the contract. Executive Order 11246, promulgated by President Johnson in 1965, provides this basic directive and requires that Federal contractors meet these requirements. The lead agency for enforcement of this Executive order is the Department of Labor, through OFCCP.

Section 5 would specifically direct the Secretary of Labor, acting through OFCCP, to issue guidelines to require Federal contractors to identify and eliminate discriminatory wage-setting practices and discriminatory wage differentials. Those guidelines would be issued after and should be consistent with the guidelines required to be issued by EEOC under section 4. Section 5 also requires that such OFCCP guidelines also provide that Federal contractors required to submit written affirmative action plans or updates of existing plans include in such plans or updates—within a year after the guidelines are issued—a review of the employer's wage-setting practices, an identification of any discrimination in those practices, and a plan of action to correct such discrimination. Section 5 would also strongly encourage these contractors to use equitable job-evaluation techniques by requiring compliance reviews of pay equity for those who fail to do so.

Currently, OFCCP guidelines provide generally that Federal contractors with more than 50 employees and a contract of more than $50,000 must submit a written affirmative action plan and require annual updating of such plans. Section 5 would thus require those contractors to include in their written affirmative action plans additional material relating to discriminatory wage-setting practices and discriminatory wage differentials. Although the guidelines would not require every Federal contractor to use an equitable job-evaluation in setting wage rates, they would provide a strong stimulus to do so.

Section 5 also would require the Secretary of Labor to submit to the President and Congress annual reports describing in detail the activities undertaken by the Department to carry out the provisions of the proposed act. Again, this reporting requirement is designed to give Congress adequate in-

formation to exercise its oversight responsibilities.

Section 6 would provide that each Federal agency required under section 717 of the Civil Rights Act to submit an equal employment opportunity plan must include in such plan or update of an existing plan information on its wage-setting practices and wage differentials. Again, this is a written plan already required to be prepared under section 717; this legislation would simply add to what that plan is required to include with respect to discriminatory wage-setting practices and discriminatory wage differentials. The required information must be submitted within 1 year of the date of enactment.

Finally, Mr. President, section 7 would require the EEOC to provide the President and Congress with a detailed report on its enforcement activities relating to the Equal Pay Act. The statistics relating to the average earnings of women indicate a continuing failure to achieve equal pay for equal work. Congress needs a clear understanding of what the Commission has been able to do since responsibility for Equal Pay Act violations was transferred to it and of what was done by the Department of Labor prior to the transfer. Section 7 also would require submission to the Congress of the Department of Labor's comments on the Commission's report.

CONCLUSION

Mr. President, pay equity is a matter of fundamental fairness. It is also a matter of economic necessity.

Our Nation has increasingly been experiencing what is graphically described as the feminization of poverty. Two out of three adults in this Nation living in poverty are women. As the National Advisory Council on Economic Opportunity has noted, "Poverty among women is becoming one of the most compelling social facts of this decade."

Lack of pay for work of comparable worth is a primary factor in producing this poverty rate.

For men in our society, poverty often comes as a consequence of joblessness and the way out of poverty is through employment. But many women live in poverty even though they already have jobs and are working full-time; their jobs just do not pay a living wage. Almost 40 percent of the fully employed women earn less than $10,000. In 1982, the poverty level for a four-person family was $9,860. The poverty rate for families headed by a full-time working woman is more than double that for households headed by full time working men.

The National Advisory Council on Economic Opportunity also concluded that if working women earned the same wages that similarly qualified men now earn, the number of families living in poverty would be cut in half.

Mr. President, elimination of discriminatory wage-setting practices that deny famale workers a fair return for their labor should be of paramount importance to every American. The issue of wage discrimination is not a woman's issue or a special interest issue. It is a national issue. It goes to the very heart of our national commitment to the eradication of poverty, our commitment to a just society, and our commitment to revitalize our economy. Pay inequities must end. We cannot afford the enormous societal cost of allowing them to persist.

Mr. President, I ask unanimous consent that the text of the legislation I am introducing be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1900

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Pay Equity Act of 1983".

STATEMENT OF FINDINGS AND PURPOSE

SEC. 2. (a) The Congress finds that—

(1) the average earnings of full-time, female workers are significantly lower than the average earnings of similarly-situated male workers;

(2) this average earnings differential results, in significant part, because wages paid in occupational fields or job classifications held predominantly by female workers are lower than those paid in occupational fields or job classifications held predominantly by male workers, and this differential results from wage-setting practices based on the sex of the employees, rather than any intrinsic differences in the comparable worth of the job as measured by the education, training, skills, experience, effort, responsibility, or working conditions required for the job;

(3) as a result of these discriminatory wage differentials resulting from discriminatory wage-setting practices, many female workers are underpaid and undercompensated for their work efforts and thereby denied equal employment opportunities;

(4) these discriminatory wage-setting practices and wage differentials result in depressing the wages, devaluing the work, and lowering the living standards of many female workers and contribute to the increasing numbers of women and children living at or near the poverty level and a consequent increase in their need for various forms of government assistance;

(5) the contributions of female workers are vital to our economy, and the continued existence and tolerance of these discriminatory wage-setting practices and wage differentials prevent full utilization of the talents, skills, experience, and potential contributions of female workers and result in the exploitation of these workers;

(6) these discriminatory wage-setting practices and wage differentials persist despite applicable state and federal equal employment opportunity laws and directives;

(7) the federal agencies charged with the responsibility for enforcement of federal equal employment opportunity laws and directives have failed to take action, pursuant to applicable such laws and directives, to seek to eliminate discriminatory wage-setting practices and wage differentials; and

(8) objective job-evaluation techniques now exist which are utilized by many public and private employers to determine the comparative value of different jobs through a system which numerically rates the basic features and requirements of a particular job, and additional efforts should be made to develop, improve, and implement these techniques so as to help eliminate discriminatory wage-setting practices and wage differentials.

(b) Recognizing that the elimination of discriminatory wage-setting practices and wage differentials is in the public interest, the purpose of this Act is to help eliminate such practices and differentials by—

(1) providing for the development and utilization of equitable job-evaluation techniques that will promote the establishment of wage rates, based upon the work performed rather than the sex of the employee and thereby help assure that all employees, irrespective of sex, race, or ethnicity, receive comparable pay for work of comparable worth;

(2) providing to those federal agencies charged with the responsibility for enforcement of federal equal employment opportunity laws and directives specific guidance and direction to help eliminate discriminatory wage-setting practices and wage differentials;

(3) encouraging and stimulating public and private employers to eliminate discriminatory wage-setting practices and wage differentials through the development and utilization of equitable job-evaluation techniques in setting wage rates; and

(4) bringing the federal government's wage-setting practices into compliance with the purpose of this Act and the provision of section 101(a) of the Civil Service Reform Act of 1978, Public Law 95-454 (5 U.S.C. 2301(b)(2)(3)), which provides that equal pay should be provided for work of equal value in federal employment.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "Commission" means the Equal Employment Opportunity Commission established by section 705 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-4);

(2) "Secretary" means the Secretary of Labor;

(3) "federal agency" means any agency of the Federal Government or the District of Columbia, including any Executive agency as defined in section 105 of title 5, United States Code, the United States Postal Service and the Postal Rate Commission, and the Library of Congress, the General Accounting Office, and the Office of Technology Assessment;

(4) "discriminatory wage-setting practices" means the setting of wage rates paid for jobs held predominantly by female workers lower than those paid for jobs held predominantly by male workers although the work performed requires comparable education, training, skills, experience, effort, and responsibility, and is performed under comparable working conditions;

(5) "discriminatory wage differentials" means different rates of compensation resulting from utilization of discriminatory wage-setting practices;

(6) "job-evaluation technique" means an objective method of determining the comparative value of different jobs utilizing a system which rates numerically the basic features and requirements of a particular job, including such factors as education, training, skills, experience, effort, responsibility, and working conditions; and

(7) "equitable job-evaluation technique" means a job-evaluation technique which, to the maximum extent feasible, does not include components for determining the comparative value of a job that reflects the sex, race, or ethnicity of the employee.

EQUAL EMPLOYMENT OPPORTUNITY COMMISSION ACTIVITIES

SEC. 4. (a)(1) Not later than nine months after the date of the enactment of this Act, the Commission, in consultation with the Secretary (acting through the Office of Federal Contract Compliance Programs in the Department of Labor), shall publish in the Federal Register, for public review and comment, proposed guidelines for the purpose of identifying and eliminating discriminatory wage-setting practices and wage differentials. Such guidelines shall include recommendations for utilization of equitable job-evaluation techniques to establish rates of compensation for employees.

(2) Not later than one year after such enactment date, the Commission, in consultation with the Secretary (acting through the Office of Federal Contract Compliance Programs), shall publish final guidelines for the purpose described in paragraph (1).

(b) In order to effectuate the purpose of this Act, the Commission shall develop and carry out a continuing program of education and information, under which, among other things, the Commission shall—

(1) undertake and promote research into the development of equitable job-evaluation techniques;

(2) develop a program for maximum dissemination and utilization of such equitable job-evaluation techniques; and

(3) develop and implement a program for providing appropriate technical assistance to any public or private entity requesting such assistance to eliminate discriminatory wage-setting practices and wage differentials.

(c) On February 1, 1985, and annually thereafter, the Commission shall submit to the President and the Congress a report describing in detail the activities of the Commission during the preceding fiscal year to carry out the provisions of subsection (b). Such report shall include an evaluation of the effectiveness of such activities, a description of the Commission's plans for carrying out the provisions of subsection (b) and effectuating the purpose of this Act during the fiscal year in which the report is submitted, and such recommendations for statutory changes or administrative action, or both, as the Commission considers necessary to effectuate such purpose.

(d)(1) The Commission shall conduct a study of the system utilized under chapter 51 of title 5, United States Code, by the Office of Personnel Management (established by chapter 11 of such title) to establish pay grades for federal employees in order to determine if such system satisfies the definition in section 3(7) of an equitable job evaluation system.

(2) Not later than six months after the final guidelines are published under subsection (a)(2), the Commission shall submit to the President and the Congress a report of its findings, in light of such guidelines, with respect to the study undertaken pursuant to paragraph (1) and shall provide a copy of this report to the Director of the Office of Personnel Management. The report shall include such recommendations for statutory changes or administrative action, or both, as the Commission considers necessary to effectuate the purpose of this Act.

(3) Not later than ninety days after receiving a copy of the report pursuant to paragraph (2), the Director of the Office of Personnel Management shall submit to the President and the Congress a report commenting on the Commission's report and specifying its intentions and the reasons therefor (and as appropriate, the timetable to carry out or not carry out the Commission's recommendations).

(4) Notwithstanding any other provision of law, the Director of the Office of Personnel Management and the head of each Federal agency shall cooperate in all respects with the Commission in connection with its conduct of the study required under this subsection and shall provide to the Commission such data, reports, and documents in connection with the subject matter of such study as the Commission may request.

FEDERAL CONTRACTS

SEC. 5. (a)(1) Not later than thirty days after the publication of final guidelines under section 4(a)(2), the Secretary (acting through the Office of Federal Contract Compliance Programs) shall publish in the Federal Register proposed guidelines for the purpose of requiring all contractors of the United States to identify and eliminate discriminatory wage-setting practices and wage differentials. Such guidelines shall—

(A) include provisions to encourage all such contractors to develop and utilize equitable job-evaluation techniques to establish rates of compensation for employees;

(B) provide that each such contractor that is required by Federal law or directive to submit a written affirmative action plan shall (i) with respect to each such plan or update of each such plan submitted after the publication of the final guidelines published pursuant to paragraph (2), include in such plan or update a review and identification of any discriminatory wage-setting practices and wage differentials within such contractor's labor force and a plan of action to eliminate any such practices and differentials, or (ii) if such contractor does not submit such plan or update within one year after such publication date, submit, within such one-year period, an amendment to its existing plan which shall include the information described in subclause (i); and

(C) provide for compliance reviews of any such contractor that has failed to utilize equitable job-evaluation techniques in setting wage rates for employees.

(2) Not later than sixty days after publication of the proposed guidelines under paragraph (1), the Secretary shall publish final guidelines for the purpose described in paragraph (1).

(b) On February 1, 1985, and annually thereafter, the Secretary shall submit to the President and the Congress a report describing in detail the activities undertaken during the preceding fiscal year and to be undertaken during the fiscal year in which the report is submitted by the Office of Federal Contract Compliance Programs pursuant to subsection (a). Such report shall include such recommendations for statutory changes or administrative action, or both, as the Secretary considers necessary to effectuate the purpose of this Act.

FEDERAL DEPARTMENTS AND AGENCIES

SEC. 6. Each federal agency responsible for submitting an equal employment opportunity plan pursuant to section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-16) shall include, in each such plan or update of such plan submitted to the Commission after the date of the enactment of this section, a review and identification of any discriminatory wage-setting practices and wage differentials with respect to its labor force and a plan of action to eliminate any such practices and differentials. Any such agency which does not submit such plan or update within one year after such enactment date shall, not later than one year after such enactment date, submit an amendment to its existing plan which shall include the information described in the preceding sentence.

EQUAL PAY ACT REPORT

SEC. 7. (a) Not later than October 1, 1984, the Commission shall submit to the President and the Congress a report describing in detail the activities of the Commission with respect to enforcement of the provisions of the Equal Pay Act of 1963 (29 U.S.C. 206(d)) since the date of transfer of authority for Equal Pay Act enforcement activities to the Commission pursuant to Reorganization Plan No. 1 of 1978. Such report shall include with respect to such activities—

(1) information on the number of complaints received and processed by the Commission, their disposition, and the allocation of Commission resources to Equal Pay Act enforcement activities;

(2) a comparision of the disposition of, and allocation of recources to these cases by the Commission to the disposition of, and allocation of resources to, similar cases by the Department of Labor prior to the transfer of such responsibilities to the Commission; and

(3) any recommendations for statutory changes or administrative action, or both, as the Commission considers necessary to carry out the provisions of such Act and effectuate the purpose of this Act.

(b) Not later than ninety days after the date of the submission of the report required by subsection (a), the Secretary shall submit to the President and the Congress a report commenting on the Commission's report and containing such recommendations for statutory changes or administrative action, or both, as the Secretary considers necessary to carry out the provisions of such Act and effectuate the purpose of this Act.

By Mr. ARMSTRONG:

S. 1901. A bill to amend the Internal Revenue Code of 1954 to treat price level adjusted mortgages; to the Committee on Finance.

PRICE LEVEL ADJUSTED MORTGAGES

● Mr. ARMSTRONG. Mr. President, imagine the return of single-digit home mortgage rates this decade.

Imagine how many homes would be built, the number of jobs created, the millions of Americans whose dream of home ownership would come true with the return of single-digit mortgages.

Wishful thinking? No.

It could be reality with a new mortgage concept known as price level adjusted mortgages (Plams) and a simple change in Federal tax law.

This idea was suggested to me some time ago by Dr. Byron L. Johnson—an economist, teacher, former Colorado University regent and U.S. Congressman. After lengthy study I am convinced that Plams are an idea whose time has come.

Dr. Johnson and I are not the only ones who are sold on Plams. They are also endorsed by Dr. Milton Friedman, Nobel laureate; Dr. Herman Kahn, founder of the Hudson Institute; the Federal Home Loan Bank Board; the Utah State Retirement System; and many, many others. They all agree that Plams can permanently revitalize the Nation's housing marketplace.

To understand the beauty of this new mortgage, look first at today's ordinary mortgages. The conventional mortgage—where a home loan is repaid in equal monthly payments over 30 years—was first offered in the 1930's. This mortgage made housing